

AUDIT COMMITTEE	AGENDA ITEM No. 4
25 June 2012	PUBLIC REPORT

Cabinet Member responsible:	Councillor Seaton, Resources Portfolio Holder	
Committee Member responsible:	Councillor Lamb, Chair of Audit Committee	
Contact Officer(s):	Diane Baker, Head of Governance	☎ 452 559

COMPLIANCE TEAM ANNUAL REPORT 2011/2012

RECOMMENDATIONS	
FROM : Helen Edwards, Solicitor to the Council	Deadline date : N/A
Audit Committee is recommended to	
1. Receive, consider and endorse the attached annual report on the investigation of fraud and other issues for the year ended 31 March 2012.	

1. **ORIGIN OF REPORT**

This report is submitted to the Committee as a scheduled report on fraud and irregularity in accordance with the established Work Programme 2011/2012.

2. **PURPOSE AND REASON FOR REPORT**

The main purpose of this report is to provide an overview of the Council's approach to combating fraud, and its delivery over the period April 2011 - March 2012. This report is to be considered in accordance with its Terms of Reference 2.2.15 - *To monitor council policies on "raising concern at work" and the anti fraud and anti corruption strategy and the Council's complaints process.*

3. **BACKGROUND**

3.1 The United Kingdom public sector maintains high standards of probity and has a good reputation for protecting the public purse. Sound systems of public accountability are vital to effective management and in maintaining public confidence. Peterborough City Council shares these high standards and is committed to protecting the public funds entrusted to it. The minimisation of losses to fraud and corruption is essential for ensuring that resources are used for their intended purpose - that of providing services to the citizens of Peterborough.

3.2 The public is entitled to expect the Council to conduct its affairs with integrity, honesty and openness and demand the highest standards of conduct from those working for it. In addressing this expectation, the Council has shown its commitment by creating a dedicated Investigation Team, which is tasked in investigating all allegations of fraud / impropriety, breaches in codes of conduct and high level complaints. The Compliance and Ethical Standards Team, which comprises corporate investigations, benefit fraud investigations and Information Management, has been in operation since 1st April 2007 – with the Information Management stream joining in January 2008.

- 3.3 The attached report (**Appendix A**) demonstrates the success of the Compliance Team and provides an insight into how this unique service will continue to operate as a key operation within the Council.

4. **CONSULTATION**

Consultation has taken place between the following parties:

- Solicitor to the Council;
- Executive Director of Strategic Resources (as the designated s.151 officer); and
- Chief Internal Auditor

5. **ANTICIPATED OUTCOMES**

That the Audit Committee is informed of the proactive measures taken across the organisation to tackle and prevent fraudulent activity. Furthermore, this will assist in the development of future policies and procedures and allow the Committee to support this important function.

6. **REASONS FOR RECOMMENDATIONS**

To enable the Audit Committee to continue to monitor the council's approach to the areas dealt with by the Investigations team and set out within this report.

7. **ALTERNATIVE OPTIONS CONSIDERED**

The option is not to present a comprehensive report, which addresses the risk of fraud and identifies areas for improvement. This could result in a lack of awareness and a potential lack of support from the Audit Committee.

8. **IMPLICATIONS**

The implications of this report are that the Council will become more fraud aware and will continue to consider the risks and consequences of this type of abuse. The team have already created a positive profile and the quality of referrals has improved in accordingly. Fraud is unacceptable and requires a well thought through approach. The presumption must be about preventing fraud by designing systems to stop it happening in the first place but where it occurs, there should be an equal presumption that its perpetrators will face tough action. This can only serve to increase the standards of conduct in the Council.

9. **BACKGROUND DOCUMENTS**

(Used to prepare this report in accordance with the Local Government (Access to Information) Act 1985)